



# House of Representatives

General Assembly

**File No. 626**

January Session, 2009

Substitute House Bill No. 5373

*House of Representatives, April 15, 2009*

The Committee on Government Administration and Elections reported through REP. SPALLONE of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT EXPANDING CERTAIN REVERSE AUCTION AUTHORITY TO THE PURCHASE OF CERTAIN SERVICES BY TOWNS, SCHOOL DISTRICTS AND STATE AGENCIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4a-60b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) For the purposes of this section:

4 (1) "Reverse auction" means an on-line bidding process in which  
5 qualified bidders or qualified proposers, anonymous to each other,  
6 submit bids or proposals to provide goods, services or supplies  
7 pursuant to an invitation to bid or request for proposals; [and]

8 (2) "Contracting agency" means a state agency with statutory  
9 authority to award contracts for goods or supplies, or a political  
10 subdivision of the state or school district; and

11     (3) "Services" means any (A) laundry and cleaning service, (B) pest  
 12     control service, (C) janitorial service, (D) security service, (E) rental,  
 13     repair or maintenance of equipment, machinery or other personal  
 14     property owned by the state, a political subdivision of the state or a  
 15     school district, (F) advertising, (G) photostating, or (H)  
 16     mimeographing, where such services are provided by persons other  
 17     than employees of the state, a political subdivision of the state or a  
 18     school district.

19     (b) Notwithstanding any provision of the general statutes,  
 20     whenever a contracting agency determines that the use of a reverse  
 21     auction is advantageous to the contracting agency and will ensure a  
 22     competitive contract award, the contracting agency may use a reverse  
 23     auction to award a contract for goods, services, other than construction  
 24     or construction management services, or supplies, in accordance with  
 25     any applicable requirement of the general statutes and policies of the  
 26     contracting agency. The contracting agency may contract with a third  
 27     party to prepare and manage any such reverse auction.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4a-60b

**GAE**        *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Dept. of Administrative Services	GF - Savings	Potential	Potential

Note: GF=General Fund

#### **Municipal Impact:**

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	Savings	Potential	Potential

### **Explanation**

This bill expands the use of reverse auctions by state agencies, municipalities, and school districts. The bill allows them to use reverse auctions to award service contracts that will be performed by someone other than an employee of the contracting entity.

Under current law, the state, municipalities and school districts may use a reverse auction to award contracts for goods and supplies if they determine that doing so would be to their advantage and ensure a competitive contract award.

To the extent that the state, municipalities and school districts utilize the expanded reverse auction, a savings is expected to result based on securing more competitive prices from vendors.

### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Department of Administrative Services

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**OLR Bill Analysis****sHB 5373*****AN ACT EXPANDING CERTAIN REVERSE AUCTION AUTHORITY  
TO THE PURCHASE OF CERTAIN SERVICES BY TOWNS,  
SCHOOL DISTRICTS AND STATE AGENCIES.*****SUMMARY:**

This bill expands the use of reverse auctions by state agencies, political subdivisions of the state, and school districts. By law, a “reverse auction” is an on-line bidding process in which qualified bidders and proposers anonymously submit bids or proposals to provide goods or supplies pursuant to an invitation to bid or request for proposals.

With two exceptions, the bill allows entities to use these auctions to award service contracts that will be performed by someone other than an employee of the contracting entity. The exceptions are for construction and construction management services. However, these services are not included in the definition of “services.” Under the bill, “services” mean (1) laundry and cleaning, pest control, janitorial, and security services; (2) advertising, photostating, and mimeographing; and (3) the rental, repair, or maintenance of equipment, machinery, or other personal property owned by the state, political subdivision, or school district.

By law, state agencies, political subdivisions of the state, and school districts may use a reverse auction to award contracts for goods and supplies if they determine that doing so would be to their advantage and ensure a competitive contract award. Contracting agencies may contract with a third party to prepare and manage the reverse auction.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 14 Nay 0 (03/27/2009)